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C O N F I D E N T I A L SECTION 01 OF 03 NEW DELHI 002446

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SUBJECT: YANG DEFENDS CHINA'S NSG POSITION ON FIRST TRIP TO INDIA

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Classified By: Political Counselor Ted Osius for Reasons 1.4 (B, D)

11. (C) SUMMARY: Chinese Foreign Minister Yang Jeichi, s first official trip to India September 7-9, ostensibly to inaugurate the new Chinese consulate in Kolkata and lay the groundwork for better momentum in India-China relations, was overshadowed by controversy over China's perceived lack of support for India's waiver at the September 4-6 Nuclear Supplier Group (NSG) meeting. Both Foreign Minister Mukherjee and National Security Advisor MK Narayanan expressed India's surprise and disappointment at China's lack of support for India in Vienna, and President Sonia Gandhi, after keeping Yang waiting for a reply to a meeting request, in the end did not meet with him. Indian media dwelled on the "strain" in the bilateral relationship. Yang expressed surprise at the level of outrage in Delhi, and responded by saying China had not blocked consensus in the NSG, but had played a "constructive and responsible" role at the meeting. END SUMMARY.

--- Yang Pays for China's Walkout at September 6 NSG Meet ---

12. (C) Fallout from China's role at the Nuclear Suppliers Group meeting on September 6 dominated Indian media coverage of Yang Jiechi's trip September 7-9 trip to India, with news

of the opening of China's new Kolkata consulate or discussions on enhanced India-China relations and border issues buried under the NSG drama. On September 6, one day prior to Yang's arrival in India, National Security Advisor MK Narayanan stated publicly that India's "surprise" and "disappointment" on China's lack of support for India at the NSG, including President Hu's refusal to accept a phone call from Prime Minister Singh and India's perception that China had reneged on assurances of support in Vienna, would be shared with Yang during his visit. Although publicly maintaining a high road on China's role in Vienna by stating "Every sovereign country has the right to express its sovereign will," Foreign Minister Pranab Mukherjee reportedly personally communicated to Yang the GOI's disappointment with China's actions. Congress Party leader Sonia Gandhi, who has visited China twice in the last year, kept Yang waiting until the last minute for confirmation of an appointment, and finally did not meet with him, leaving Yang to fill the open time on the morning of September 9 by visiting museums.

--- Indian Media: China "Duplicitous" ---

13. (U) Indian media was relentless in connecting Yang's visit to the NSG meetings, with the vast majority of reports suggesting China's actions in Vienna had caused lasting damage to the bilateral relationship. Negative coverage was widespread, alleging Yang needed to formally apologize for China's behavior at the NSG. (Note: He didn't publicly, although Times Now reported Yang was "apologetic" in his meetings with the Prime Minister and Foreign Minister. End Note.) Other reports called China "duplicitous" or accused

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it of "creating difficulties for the waiver," with one unnamed analyst quoted by DNA as saying, "Times like these are a test of friendship, and it's fair to say that on this count, China failed this test." The Telegraph condemned Beijing for attempting to take the moral high ground at the Vienna meeting, saying China's tactics merely served to draw unflattering attention to its own "pathetic" record of nuclear proliferation. What positive coverage there was focused mostly on Yang's remarks in Kolkata, emphasizing how the new consulate symbolized China's "sincerity towards building bilateral friendship" and his expression of hope for stronger economic and social ties.

--- Yang: China Did Not Block NSG Consensus ---

14. (C) Yang admitted to being surprised at the level of negative reaction when he arrived in India, but urged that China be judged by its actions, not words. His response to the criticism echoed the Chinese Foreign Ministry's statement that China's role in the NSG was "constructive and responsible," and he added "we didn't do anything to block (NSG consensus)."

--- Experts Call Visit A "Washout," Sign of "Cold Peace" ---

15. (C) Jawaharlal Nehru University China Studies professor Dr. Srikanth Kondapalli, who met with Yang on the morning of September 9, told Poloff that Yang had said the visit had been "satisfactory" and that he was happy to meet the Prime Minister. Kondapalli's assessment of the visit was that it had been a "washout," considering the Sonia Gandhi snub, and that the message of progress for the relationship had been lost in defending China's NSG actions. Kondapalli added that Yang's visit was "a firefighting exercise" after the NSG meeting and that Yang was trying to defuse India's pent up feelings against China by explaining China's NSG position. In his speech at the Hyatt Regency, Yang called on India to expedite border dispute issue resolution with China, and called for a visa-free regime between China and India. Kondapalli expressed that India was unlikely to act on these points.

16. (C) Institute of Defense Studies and Analysis China

analyst V. Krishnappa described an "anger in the air and in the hallways of Delhi" during Yang,s visit, a symbol of what he calls the "cold peace" which defines Indo-China relations.

Krishnappa lauded the Indian government's diplomatic handling of the NSG issue, saying Foreign Minister Mukherjee delivered a strong message but was careful not to jeopardize the larger and many interests India has in its relationship with China. Given the power differential in the relationship, Krishnappa maintained, India could express anger over what it felt was mistreatment by Beijing, but still had to practice "real diplomacy" in managing a complex relationship.

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--- Chinese Embassy Emphasizes Value Of Dialogue ---

¶7. (C) Chinese Embassy Political Counselor Hu Zhaoming acknowledged to PolCouns that the Indian media had made Yang,s visit difficult, but insisted "It was a good visit." Hu emphasized the value of senior level officials maintaining regular dialogue, and noted this was just one of several scheduled high level visits pending, including Narayanan,s visit to Beijing for border talks, PM Singh,s visit in late October for the Asia-Europe Meeting (ASEM), National People's Congress Chairman Wu Bangguo,s expected visit to India in early 2009, and an outstanding invitation for Vice-President Xi Jinping to visit India. Hu also explained that Yang had exchanged views on mechanisms for border talks, designed to build transparency and maintain peace as talks continue, as well as to institutionalize the 7-8 active dialogues between Indian and Chinese ministries.

--- Comment: Positive Contrast For U.S. ---

¶8. (C) Comment. While Yang himself was mostly the victim of poor timing -- we understand his visit was scheduled far in advance as part of regular diplomatic activity, and was not intentionally scheduled to coincide with the NSG group decision -- it was no coincidence that Indian officials and media were eager to exploit any perception of Beijing's ill intentions toward India. As India's rivalry with China continues, and as India looks to strengthen its relative bargaining position (among them: NSA Narayanan will head to Beijing the week of September 15 for border talks), we see Indians looking for any justification to criticize their northern neighbor and attempt to bridge the power differential Krishnappa described. We disagree with those in the Indian media, however, who believe lasting damage was done in Vienna, and note that September 11 press has already begun to report how the Congress Party has "forgiven" Beijing. As Krishnappa warned, while some in the Indian media were eager to draw a comparison between the relative directions of the India-China relationship vis-a-vis India-U.S. ties, it would be a mistake to link Yang,s treatment to any zero-sum gains for America. Still, Yang,s visit seems to have fueled debate in Delhi over who India can count on as friends, and, in the wake of Vienna, Delhi seems as empowered as ever to call Beijing onto the carpet for unfriendly behavior.

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